

R 082143Z FEB 99
FM AMEMBASSY CARACAS
TO SECSTATE WASHDC 3021
INFO AMEMBASSY BOGOTA
AMEMBASSY BRASILIA
AMEMBASSY GEORGETOWN
AMEMBASSY QUITO
AMEMBASSY LIMA
AMEMBASSY PORT OF SPAIN
AMEMBASSY LA PAZ
USINT HAVANA
CIA WASHDC
USIA WASHDC 2117
DOT WASHDC
FCC WASHDC
FAA WASHDC
FAA MIAMI FL

C O N F I D E N T I A L SECTION 01 OF 03 CARACAS 000400

STATE FOR WHA/AND-CAKUETTEH, EB/TRA/AVP-SBENNET,
EB/TRA/AN-WWHITTEMAN, INR/B
DOT FOR CAROLYN COLDREN
FCC FOR LATIN AMERICA - JEANNE GELLMAN
COMMERCE FOR 4331/IEP/WH/OSA-TWELCH
3134/USFCS/OIO/WH-RLENAHAN & ELENNY, ITA
FAA WASHINGTON DC FOR AIA 1-CCAPESTANY & AFS 50-LJENSEN
FAA MIAMI FOR INTERNATIONAL FIELD OFFICE FL//23, IAO-VTAMIRIZ

E.O. 12958: DECL: 02/08/09
TAGS: [EAIR](#) [ECPS](#) [EIND](#) [PGOV](#) [PINR](#) [PREL](#) [VE](#)
SUBJECT: BIOGRAPHIC REPORT: MINISTER OF INFRASTRUCTURE LUIS REYES

CLASSIFIED BY PERRY E. BALL, ECONOMIC COUNSELOR. REASON: 1.5 (B)
AND (D).

11. THIS IS A JOINT STATE-COMMERCE REPORT

SUMMARY

12. (C) LUIS REYES WAS APPOINTED VENEZUELA'S MINISTER OF
INFRASTRUCTURE BY PRESIDENT HUGO CHAVEZ. THE NEWLY CREATED
MINISTRY OF INFRASTRUCTURE WILL OVERSEE MATTERS OF TRANSPORT,
COMMUNICATIONS, AND URBAN DEVELOPMENT. REYES WAS FORCIBLY RETIRED
FROM THE VENEZUELAN AIR FORCE AS A LIEUTENANT COLONEL AFTER HIS
INVOLVEMENT IN THE NOVEMBER 27, 1992, COUP ATTEMPT. REYES IS A
PERSONAL FRIEND OF CHAVEZ. CHAVEZ'S COMMENT THAT "(REYES) IS AN
HONEST MAN WITH GREAT MANAGERIAL ABILITY, AND AN UNYIELDING
PATRIOT" INDICATES CONFIDENCE IN THE NEW MINISTER. END SUMMARY.

MILITARY AND ACADEMIC BACKGROUND

13. (C) BORN IN BARINAS IN 1953, REYES IS A PILOT AND AERONAUTICAL
ENGINEER. HE JOINED THE AIR FORCE IN 1970. REYES WAS ONE OF FOUR
VENEZUELAN AIR FORCE OFFICERS INVITED BY THE UNITED STATES AIR
FORCE IN 1974 TO ATTEND AN ENGLISH LANGUAGE COURSE AT LACKLAND AIR
FORCE BASE IN TEXAS, AND A ONE-YEAR UNDERGRADUATE PILOT TRAINING
COURSE AT MOODY AIR FORCE BASE IN GEORGIA. AFTER RETURNING TO
VENEZUELA, REYES PURSUED UNIVERSITY STUDIES IN BARQUISIMETO,
VENEZUELA, AND GRADUATED WITH AN UNDERGRADUATE DEGREE IN
ADMINISTRATION. HE BECAME A LIEUTENANT COLONEL IN 1982. HE
TRAVELED TO THE UNITED STATES IN 1988 TO ASSUME A POSITION IN THE
DIRECTORATE OF INTERNATIONAL LOGISTICS OF THE VENEZUELAN AIR FORCE
(FAV). HE RETURNED TO VENEZUELA IN NOVEMBER 1991, THREE MONTHS
BEFORE THE COUP ATTEMPT OF FEBRUARY 4, 1992. AT THAT TIME, HE
SERVED AS THE CHIEF OF INVESTIGATION ON A CASE INVOLVING A
VENEZUELAN AIR FORCE GENERAL WHO WAS EVENTUALLY CONVICTED OF
CORRUPTION.

RELATIONSHIP WITH CHAVEZ

14. (C) PRESIDENT CHAVEZ'S CONFIDENCE IN REYES COMES FROM MANY YEARS OF FRIENDSHIP. REYES AND CHAVEZ GREW UP IN THE SAME TOWN, ATTENDED THE SAME O'LEARY ELEMENTARY SCHOOL, AND PLAYED BASEBALL ON CONTENDING TEAMS. BOTH REYES AND CHAVEZ JOINED THE MILITARY -- REYES THE AIR FORCE AND CHAVEZ THE ARMY.

15. (C) REYES WAS AN EARLY CONSPIRATOR WITH CHAVEZ. REYES TOLD THE EL UNIVERSAL NEWSPAPER THAT HE VIVIDLY RECALLS A DISCUSSION HE HAD WITH CHAVEZ ON DECEMBER 17, 1977, AFTER RETURNING FROM THE U.S. HE SAID THAT CHAVEZ AND HE TALKED ABOUT HOW CORRUPTION HAD DISTORTED THE ORGANIZATION OF THE ARMED FORCES. FOLLOWING THIS DISCUSSION REYES INCORPORATED HIMSELF IN CHAVEZ'S CONSPIRACY. BEGINNING IN 1982, REYES WAS PUT IN CHARGE OF COORDINATING THE FAV'S ACTIONS IN THE THEN FUTURE COUP ATTEMPTS.

INVOLVEMENT IN "THE CONSPIRACY"

16. (C) REYES DID NOT PART IN THE FEBRUARY 4, 1992, COUP ATTEMPT. INSTEAD, AS THE PERSON CHARGED WITH COORDINATING THE FAV'S ACTIONS IN THE COUP ATTEMPT, REYES MANAGED TO PREVENT THE FAV FROM RISING AS A COUNTER-INSURRECTION FORCE. REYES EXPLAINED, "(SINCE) THE CONTINUITY (OF THE MILITARY) HAD BEEN BROKEN,...WE DECIDED TO NEUTRALIZE THE AIR FORCE AT THAT TIME." REYES WAS ARRESTED AND DETAINED ONE AND A HALF MONTHS AS A RESULT OF HIS INACTION DURING THE FEBRUARY 4 COUP ATTEMPT. AFTER HIS RELEASE, REYES BECAME ONE OF THE LEADERS OF THE NOVEMBER 27, 1992, AIR FORCE-LED COUP ATTEMPT. HIS PARTICIPATION WAS MARKED BY FLYING A F-16 AT MACH 1 SPEED OVER THE CITY OF CARACAS. THE FLIGHT REPORTEDLY BROKE WINDOWS IN MANY PARTS OF THE CITY. REYES SAID HE BROKE THE SOUND BARRIER TO FRIGHTEN THE ENEMY FORCES. THE COUP ATTEMPT FAILED AND REYES WAS IMPRISONED FOR 14 MONTHS AT FORT TIUNA, THE MILITARY HEADQUARTERS IN CARACAS. REYES REMAINED ALLIED TO CHAVEZ'S MOVEMENT AND WAS LATER APPOINTED AS CHAVEZ'S PRESIDENTIAL CAMPAIGN COORDINATOR IN LARA STATE IN 1998.

NEW RESPONSIBILITIES

17. (C) REYES WILL HEAD UP THE MINISTRY OF INFRASTRUCTURE, WHICH WILL CONSOLIDATE THE MINISTRY OF TRANSPORT AND COMMUNICATION (MTC) AND THE MINISTRY OF URBAN DEVELOPMENT (MINDUR). THIS "SUPER-MINISTRY" WILL BE CHARGED WITH ALL MATTERS PERTAINING TO AIR, LAND, AND WATER TRANSPORT, ROAD INFRASTRUCTURE, PUBLIC HOUSING, TELECOMMUNICATIONS, AND "WHITE ELEPHANT" PROJECTS (PROJECTS LEFT UNFINISHED BY PREVIOUS ADMINISTRATIONS). INFRASTRUCTURE PROJECTS PERTAINING TO OTHER MINISTRIES WILL ALSO BE CENTRALIZED IN THE MINISTRY. REYES PLANS TO DIVIDE THE MINISTRY'S RESPONSIBILITIES AMONG THREE SECRETARIATS, ONE EACH FOR TRANSPORT, COMMUNICATION, AND URBAN DEVELOPMENT. HE ALSO INTENDS TO INCREASE THE RESPONSIBILITIES OF INDEPENDENT AGENCIES RELEVANT TO THE FUNCTIONS OF THE MINISTRY. REYES SAID HE ACCEPTED THE POSITION AS MINISTER OF INFRASTRUCTURE BECAUSE OF THE "PERSONAL CHARGES GIVEN TO HIM BY THE PRESIDENT." REYES HAS ALREADY MADE A GOOD IMPRESSION ON THE BUSINESS COMMUNITY, WHICH WELCOMED HIS VIEWS ON DECENTRALIZATION OF THE MINISTRY AND INCREASED MARKET LIBERALIZATION AS A "PLEASANT SURPRISE."

THE "MINI-MINISTRO'S" GOALS

18. (C) REYES DOES NOT WANT TO BE KNOWN AS "SUPER-MINISTRO," BUT PREFERS THE TITLE OF "MINI-MINISTRO." HE BELIEVES IN DECENTRALIZATION OF THE MINISTRY'S FUNCTIONS AND WANTS TO CREATE A SMALLER, MORE EFFICIENT MINISTRY. HE SAYS DECENTRALIZATION IS A GOOD WAY TO RID A LARGE BUREAUCRACY OF CORRUPTION. ONE OF REYES' PRIMARY GOALS IS TO SECURE FAA CATEGORY I FLIGHT SAFETY STATUS FOR VENEZUELA. AIRPORTS THAT DO NOT MEET REQUIRED STANDARDS WILL BE CLOSED DOWN. REGULATIONS WILL BE ENFORCED AND LOCAL GOVERNMENTS RESPONSIBLE FOR AIRPORTS WILL HAVE TO COMPLY. REYES DOES NOT LEAVE OUT THE POSSIBILITY OF PRIVATIZING AIRPORTS.

19. (C) REYES CONSIDERS THE TELECOMMUNICATIONS SECTOR TO BE A STRATEGIC SECTOR. HE WANTS TO CONTINUE OPENING THE SECTOR, AND MOVE UP THE DATE FOR TERMINATING THE NATIONAL TELEPHONE COMPANY,

CANTV'S, MONOPOLY. AT AN INVESTMENT MEETING HELD IN MID-JANUARY, REYES PLEDGED TO REVAMP THE TELECOMMUNICATIONS REGULATORY AGENCY, CONATEL, TO MAKE IT LESS DEPENDENT ON A SINGLE INDIVIDUAL. REYES HOPES TO ATTRACT PRIVATE SECTOR INVESTMENT VIA CONCESSIONS TO REVISE THE TELECOMMUNICATIONS FRAMEWORK (SEPTTEL).

¶10. (C) REYES WANTS TO HAVE LOCAL GOVERNMENTS PROVIDE PROPER UPKEEP OF PUBLIC TRANSPORTATION; HAVE THE URBAN DEVELOPMENT SECRETARIAT CONSTRUCT MORE PUBLIC SPACE (RATHER THAN JUST PUBLIC HOUSING); ATTRACT PRIVATE INVESTMENT FOR ROAD CONSTRUCTION; AND REACTIVATE THE VENEZUELAN MERCHANT MARINE BY HAVING PRIVATE COMPANIES TAKE ON VENEZUELAN FLAG VESSELS. HE IS A REALIST WHEN IT COMES TO WHITE ELEPHANT PROJECTS. HE ATTRIBUTES THE STATUS OF THESE PROJECTS TO THE OVER-AMBIITION OF PREVIOUS ADMINISTRATIONS, WITH NO REGARD FOR THE ACTUAL FUNDING AVAILABLE. REYES INTENDS TO COMPLETE SOME PROJECTS, BUT ONLY AS MANY AS THE BUDGET PERMITS. REYES SAID THE MOST FEASIBLE PROJECTS TO FINISH WOULD BE THE HIGHWAY FROM SAN FELIPE TO PUERTO CABELLO, THE BYPASS NORTH OF BARQUISIMETO, AND A SECTION OF THE HIGHWAY LEADING FROM CARACAS TO THE EASTERN REGION OF VENEZUELA.

REYES AS AN HONEST MAN

¶11. (C) THERE IS LITTLE INFORMATION AVAILABLE ON REYES' PERSONAL CHARACTER. HOWEVER, PRESIDENT CHAVEZ CHARACTERIZED HIM AS AN "HONEST MAN" WHEN HE WAS APPOINTED. A SENIOR EXECUTIVE IN A VENEZUELAN COMMERCIAL AIRLINE TOLD EMBOFF THAT SEVERAL VENEZUELAN MILITARY OFFICERS WHO KNOW REYES UNIFORMLY DESCRIBED HIM AS "STRICT, HONEST, AND INTELLIGENT." THE EXECUTIVE ALSO REPORTED THAT REYES SAID TO HIM, "I REALLY NEED YOUR HELP...I NEED AN HONEST OPINION ABOUT AVIATION ISSUES," BECAUSE HE EXPECTS TO BE APPROACHED BY NUMEROUS INDIVIDUALS REPRESENTING SPECIAL INTERESTS.

COMMENT

¶12. (C) REYES' APPOINTMENT WILL BE AN IMPORTANT PART OF CHAVEZ'S ANTI-CORRUPTION CAMPAIGN SINCE THE MINISTRY OF INFRASTRUCTURE WILL ABSORB THE MTC, WHICH IS WELL-KNOWN FOR ITS INEFFICIENCY AND CORRUPTION. REYES' ACCESS TO CHAVEZ AND HIS HONESTY PROVIDE THE CREDIBILITY HE WILL NEED TO CHANGE THE OLD WAYS OF DOING BUSINESS IN THE NEW MINISTRY.

MAISTO